

NEW POOLS

It is recommended that a new oil pool be created and designated as the Buffalo-Seven Rivers Pool.

Vertical limits to be the Seven rivers formation and the horizontal limits should be as follows: As outlined in Paragraph (a) Exhibit I

Discovery well was Chevron USA Inc. Langlie A Federal Well No. 1 located in Unit K Section 9 Township 19 Range 33 and was completed on August 9, 1990. Top of perforations is at 3,572 feet.

It is recommended that a new gas pool be created and designated as the West Dollarhide Tansill-Yates-SR Gas Pool.

Vertical limits to be the Tansill-Yates-Seven Rivers formation and the horizontal limits should be as follows: As outlined in Paragraph (b) Exhibit I

Discovery well was Thexaco Producing Inc. Mexico J Well No. 2 located in Unit 0 Section 32 Township 24 Range 38 and was completed on July 24, 1990. Top of perforations is at 2,647 feet.

It is recommended that a new oil pool be created and designated as the Gem-Delaware Pool.

Vertical limits to be the Delaware formation and the horizontal limits should be as follows: As outlined in Paragraph (c) Exhibit I

Discovery well was JFG Enterprises Tonto State Well No. 1 located in Unit J Section 32 Township 19 Range 33 and was completed on November 8, 1990. Top of perforations is at 7,906 feet.

NEW POOLS

It is recommended that a new oil pool be created and designated as the Geronimo-Delaware Pool.

Vertical limits to be the Delaware formation and the horizontal limits should be as follows: As outlined in Paragraph (d) Exhibit I

Discovery well was Mitchell Energy Corporation Geronimo Federal Well No. 1 located in Unit D Section 31 Township 19 Range 33 and was completed on October 3, 1990. Top of perforations is at 7,586 feet.

It is recommended that a new oil pool be created and designated as the Northeast Lovington-Wolfcamp Pool.

Vertical limits to be the Wolfcamp formation and the horizontal limits should be as follows: As outlined in Paragraph (e) Exhibit I

Discovery well was Bridge Oil Company L.P. Kim Harris Well No. 1 located in Unit B Section 12 Township 16 Range 36 and was completed on October 19, 1990. Top of perforations is at 10,590 feet.

It is recommended that a new oil pool be created and designated as the East Nadine-Abo Pool.

Vertical limits to be the Abo formation and the horizontal limits should be as follows: As outlined in Paragraph (f) Exhibit I

Discovery well was Petroleum Technical Services Company Carter Well No. 1 located in Unit I Section 30 Township 19 Range 39 and was completed on May 9, 1990. Top of perforations is at 7,456 feet.

NEW POOLS

It is recommended that a new oil pool be created and designated as the Red Tank-Bone Spring Pool.

Vertical limits to be the Bone Spring formation and the horizontal limits should be as follows: As outlined in Paragraph (g) Exhibit I

Discovery well was Chevron USA Inc. Covington A Federal Well No. 1 located in Unit C Section 25 Township 22 Range 32 and was completed on August 22, 1990. Top of perforations is at 9,976 feet.

It is recommended that a new oil pool be created and designated as the Teague-Paddock Pool.

Vertical limits to be the Paddock formation and the horizontal limits should be as follows: As outlined in Paragraph (h) Exhibit I

Discovery well was Arch Petroleum Inc. E.C. Hill B Federal Well No. 1 located in Unit A Section 34 Township 23 Range 37 and was completed on November 2, 1990. Top of perforations is at 4,888 feet.

It is recommended that a new gas pool be created and designated as the Vaca Draw-Atoka Gas Pool.

Vertical limits to be the Atoka formation and the horizontal limits should be as follows: As outlined in Paragraph (i) Exhibit I

Discovery well was Oryx Energy Company Gila 4 Deep Com Well No. 1 located in Unit G Section 4 Township 25 Range 33 and was completed on July 18, 1990. Top of perforations is at 14,276 feet.

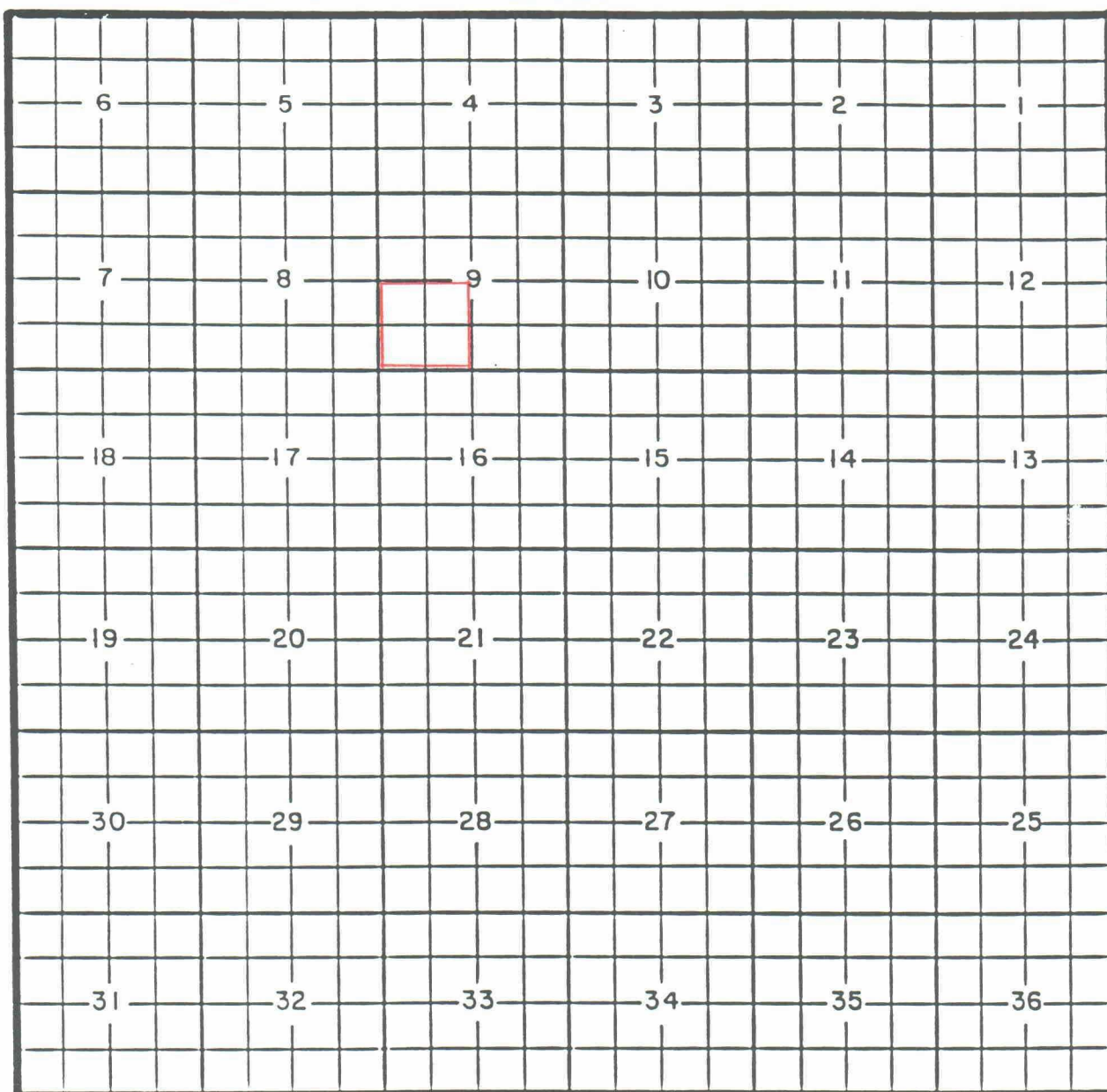
COUNTY LEA

POOL BUFFALO-SEVEN RIVERS

TOWNSHIP 19 South

RANGE 33 East

NMPM



PURPOSE: One completed oil well capable of producing.

Chevron U.S.A. Inc. Langlie A Federal Well No. 1 located in Unit K of Section 9, township 19 South, Range 33 East, NMPM. It was completed August 9, 1990, in the Seven Rivers formation. The top of the perforations is at 3,572 feet.

Proposed pool boundary outlined in red. Section 9: SW/4

COUNTY LEA POOL WEST DOLLARHIDE TANSILL-YATES-SEVEN RIVERS GAS

TOWNSHIP 24 South RANGE 38 East NMPM

6	5	4	3	2	1
7	8	9	10	11	12
18	17	16	15	14	13
19	20	21	22	23	24
30	29	28	27	26	25
31	32	33	34	35	36

PURPOSE: One completed gas well capable of producing.

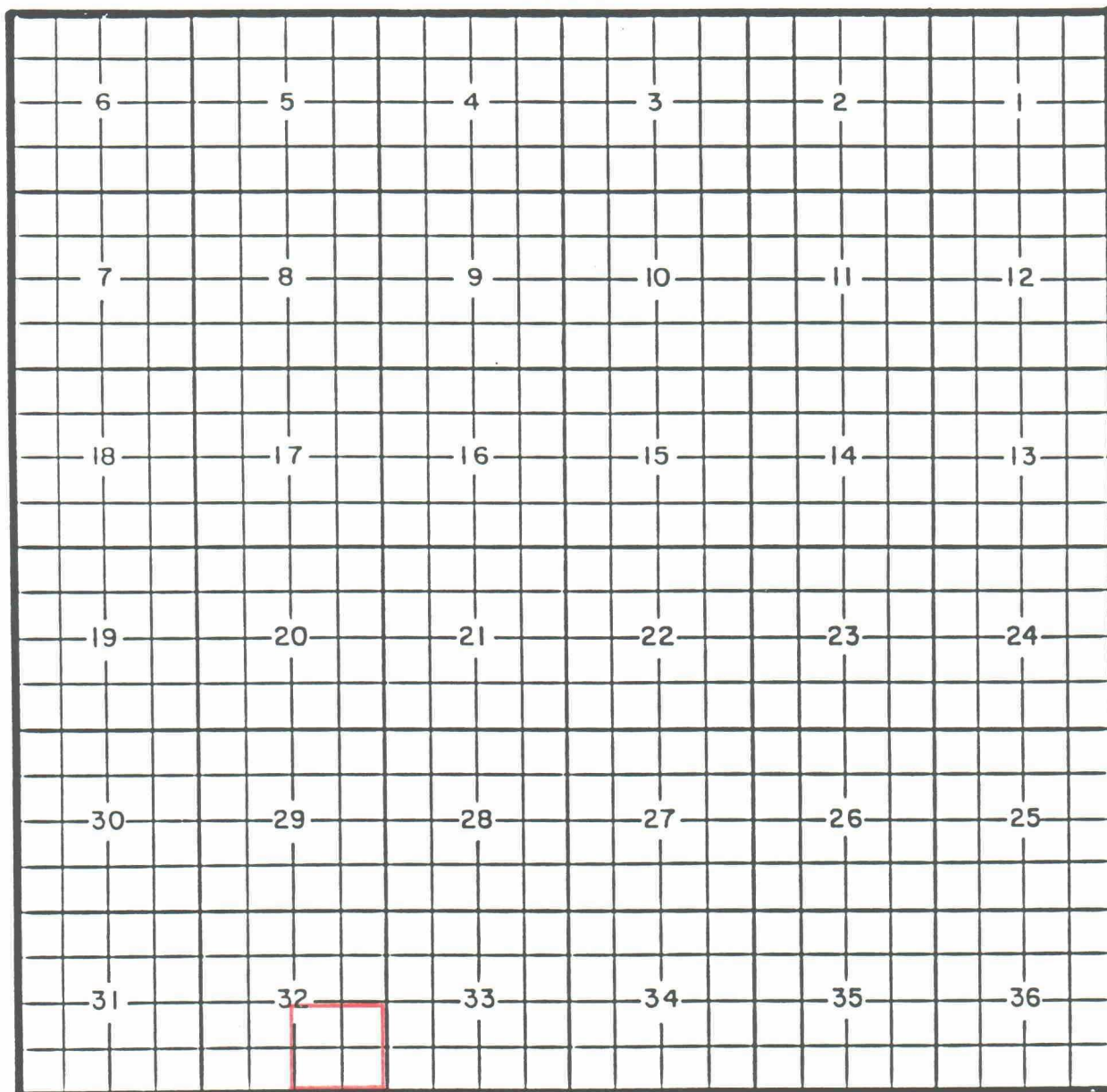
Texaco Producing Inc. Mexico J Well No. 2 located in Unit 0 of Section 32.

Township 24 South, Range 38 East, NMPM. It was completed July 24, 1990. in the Tansill-Yates-Seven Rivers formation. The top of the perforations is at 2,647 feet.

Proposed pool boundary outlined in red. Section 32: SE/4

COUNTY LEA POOL GEM-DELAWARE

TOWNSHIP 19 South RANGE 33 East NMPM



PURPOSE: One completed oil well capable of producing.

JFG Enterprises Tonto State Well No. 1 located in Unit J of Section 32,

Township 19 South, Range 33 East, NMPM. It was completed November 8, 1990,

in the Delaware formation. The top of the perforations is at 7,906 feet.

Proposed pool boundary outlined in red. Section 32: SE/4

COUNTY LEA

POOL GERONIMO-DELAWARE

TOWNSHIP 19 South

RANGE 33 East

NMPM

6	5	4	3	2	1
7	8	9	10	11	12
18	17	16	15	14	13
19	20	21	22	23	24
30	29	28	27	26	25
31	32	33	34	35	36

PURPOSE: One completed oil well capable of producing.

Mitchell Energy Corporation Geronimo Federal Well No. 1 located in Unit D of Section 31, Township 19 South, Range 33 East, NMPM. It was completed October 3, 1990, in the Delaware formation. The top of the perforations is at 7,586 feet.

Proposed pool boundary outlined in red. Section 31: NW/4

COUNTY LEA

POOL NORTHEAST LOVINGTON-WOLFCAMP

TOWNSHIP 16 South

RANGE 36 East

NMPM

6	5	4	3	2	1
7	8	9	10	11	12
18	17	16	15	14	13
19	20	21	22	23	24
30	29	28	27	26	25
31	32	33	34	35	36

PURPOSE: One completed oil well capable of producing.

Bridge Oil Company L.P. Kim Harris Well No. 1 located in Unit B of
 Section 12, Township 16 South, Range 36 East, NMPM. It was completed October
 19, 1990, in the Wolfcamp formation. The top of the perforations is at
 10,590 feet.

Proposed pool boundary outlined in red. Section 12: NE/4

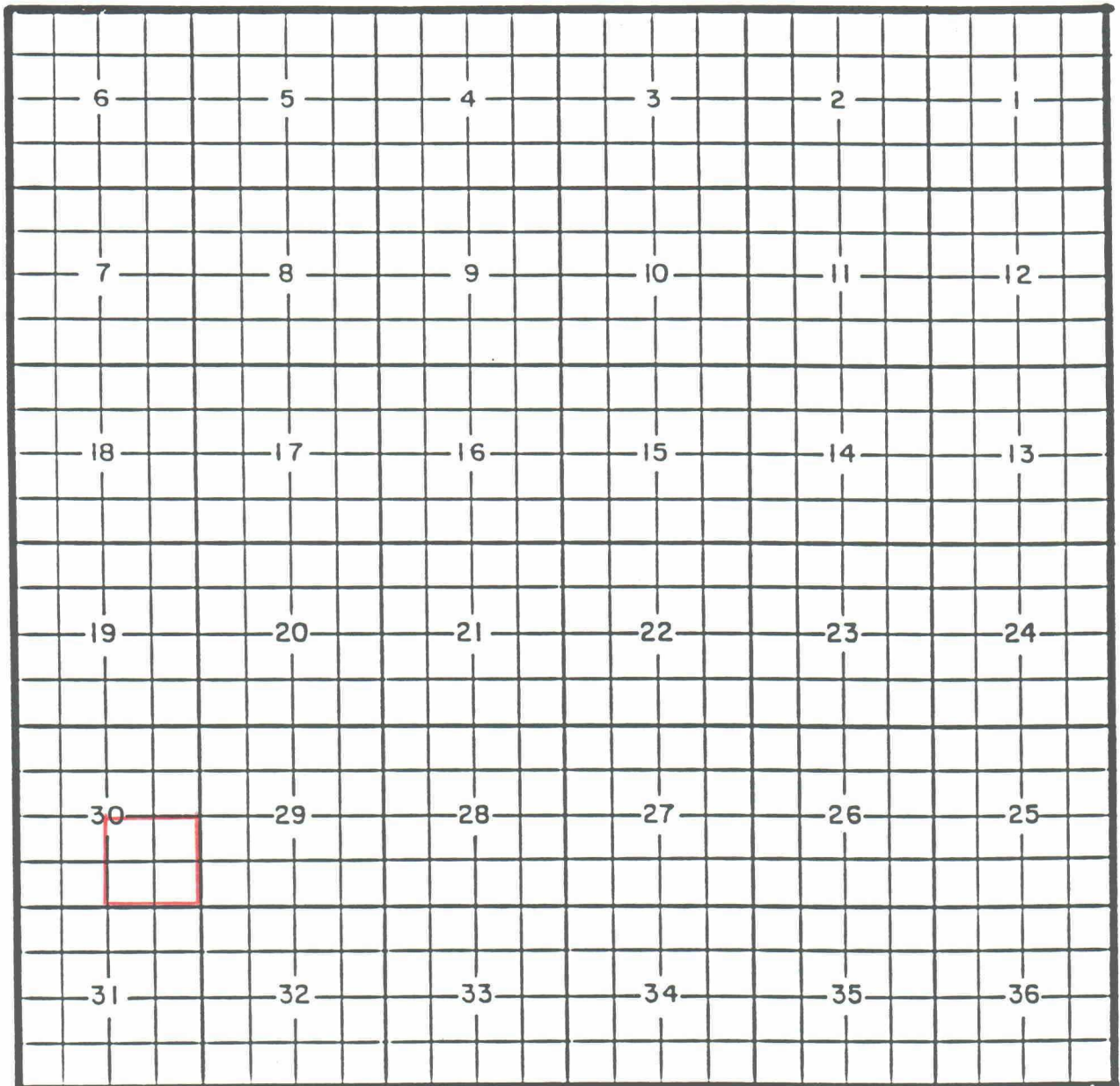
COUNTY LEA

POOL EAST NADINE-ABO

TOWNSHIP 19 South

RANGE 39 East

NMPM



PURPOSE: One completed oil well capable of producing.

Petroleum Technical Services Company Carter Well No. 1 located in Unit I of Section 30, Township 19 South, Range 39 East, NMPM. It was completed May 9, 1990, in the Abo formation. The top of the perforations is at 7,456 feet.

Proposed pool boundary outlined in red. Section 30: SE/4

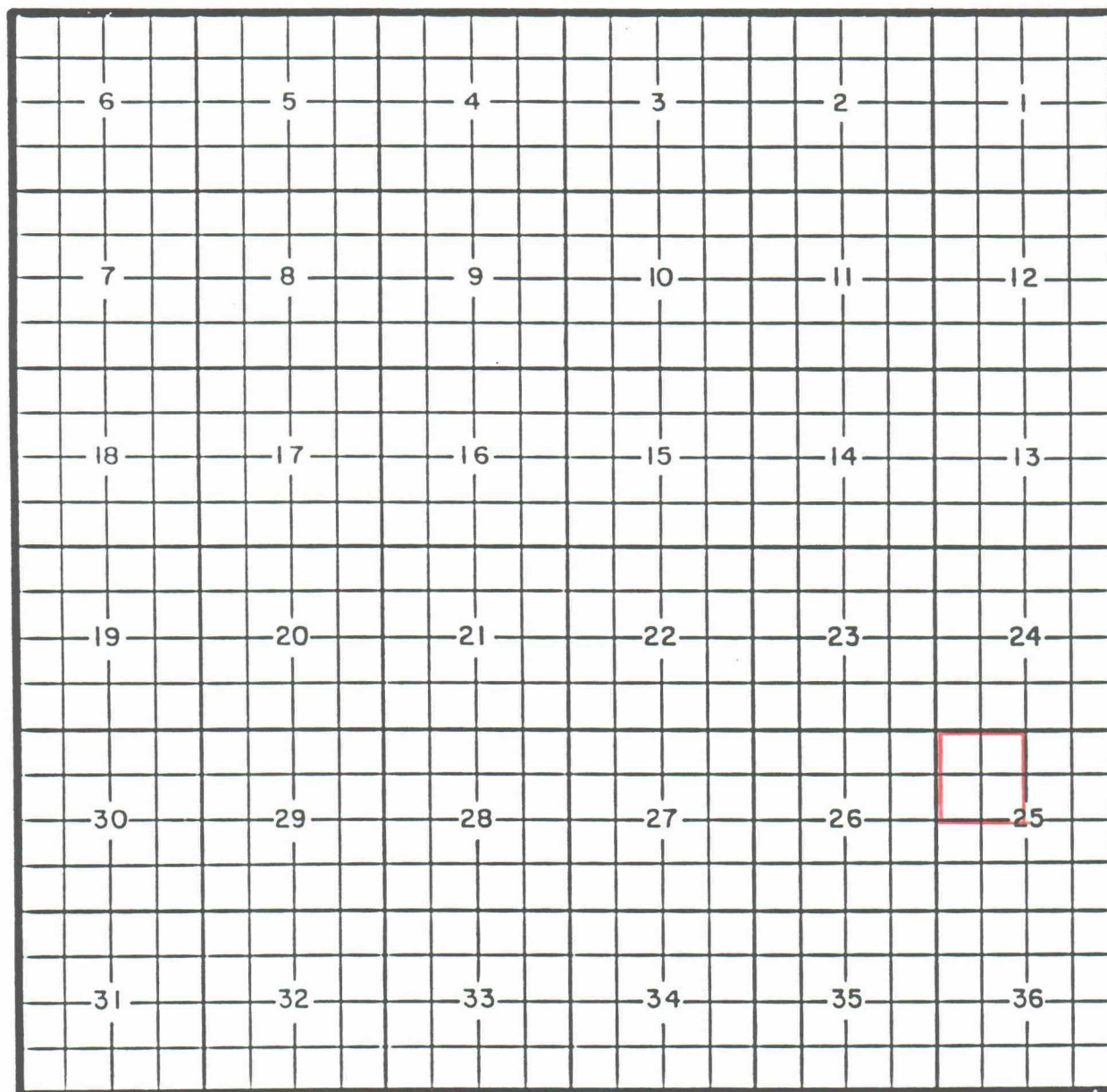
COUNTY LEA

POOL RED TANK-BONE SPRING

TOWNSHIP 22 South

RANGE 32 East

NMPM



PURPOSE: One completed oil well capable of producing.

Chevron U.S.A. Inc. Covington A Federal Well No. 1 located in Unit C of Section 25, Township 22 South, Range 32 East, NMPM. It was completed August 22, 1990, in the Bone Spring formation. The top of the perforations is at 9,976 feet.

Proposed pool boundary outlined in red. Section 25: NW/4

COUNTY LEA

POOL TEAGUE-PADDOCK

TOWNSHIP 23 South

RANGE 37 East

NMPM

6	5	4	3	2	1
7	8	9	10	11	12
18	17	16	15	14	13
19	20	21	22	23	24
30	29	28	27	26	25
31	32	33	34	35	36

PURPOSE: One completed oil well capable of producing.

Arch Petroleum Inc. E. C. Hill B Federal Well No. 1 located in Unit A of Section 34, Township 23 South, Range 37 East, NMPM. It was completed November 2, 1990, in the Paddock formation. The top of the perforations is at 4,888 feet.

Proposed pool boundary outlined in red. Section 34: NE/4

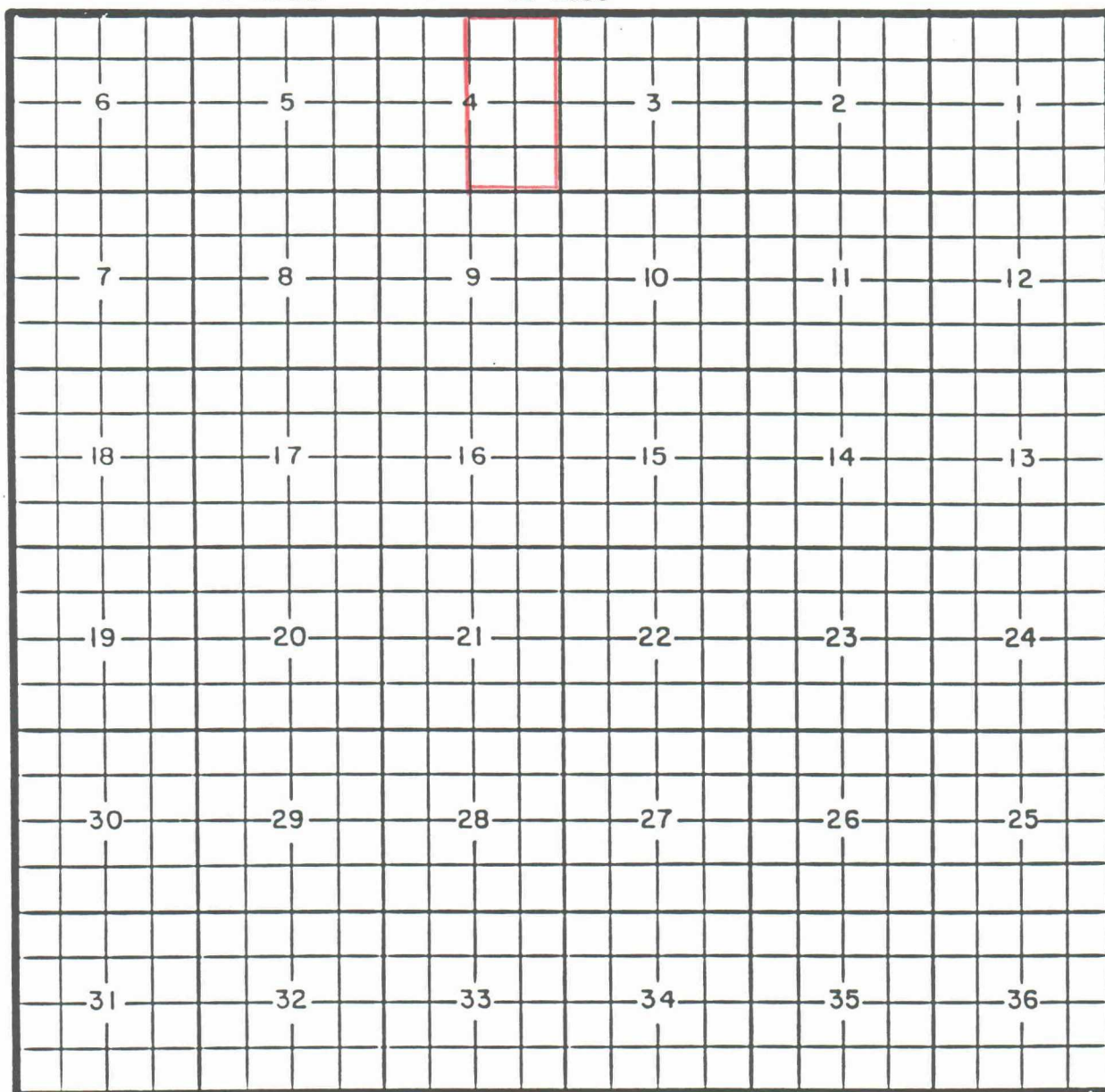
COUNTY LEA

POOL VACA DRAW-ATOKA GAS

TOWNSHIP 25 South

RANGE 33 East

NMPM



PURPOSE: One completed gas well capable of producing.

Oryx Energy Company Gila 4 Deep Com Well No. 1 located in Unit G of Section 4, Township 25 South, Range 33 East, NMPM. It was completed July 18, 1990, in the Atoka formation. The top of the perforations is at 14,276 feet.

Proposed pool boundary outlined in red. Section 4: E/2

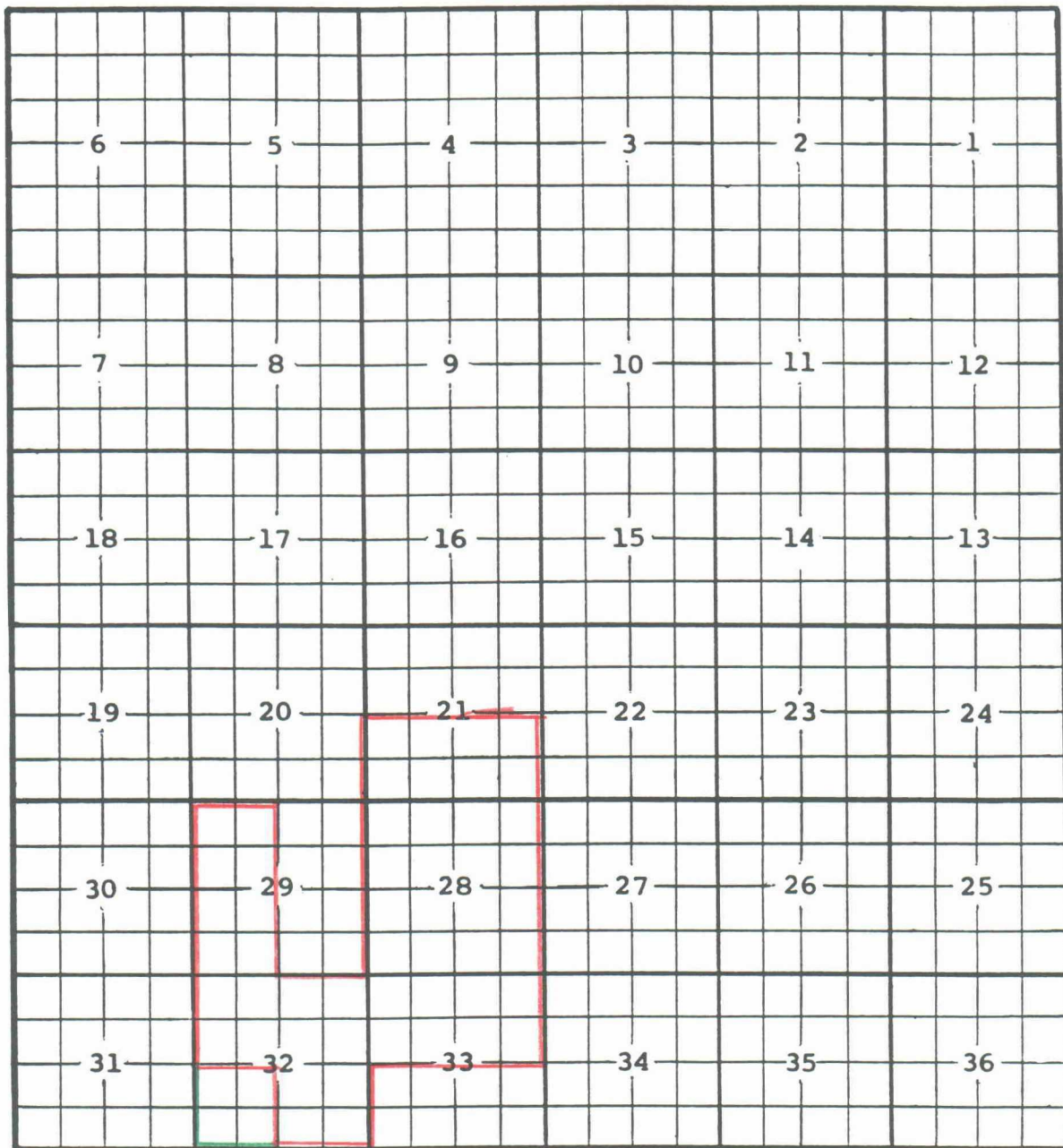
COUNTY LEA

POOL BILBREY-MORROW GAS

TOWNSHIP 21 South

RANGE 32 East

NMPM



PURPOSE: One completed gas well capable of producing.

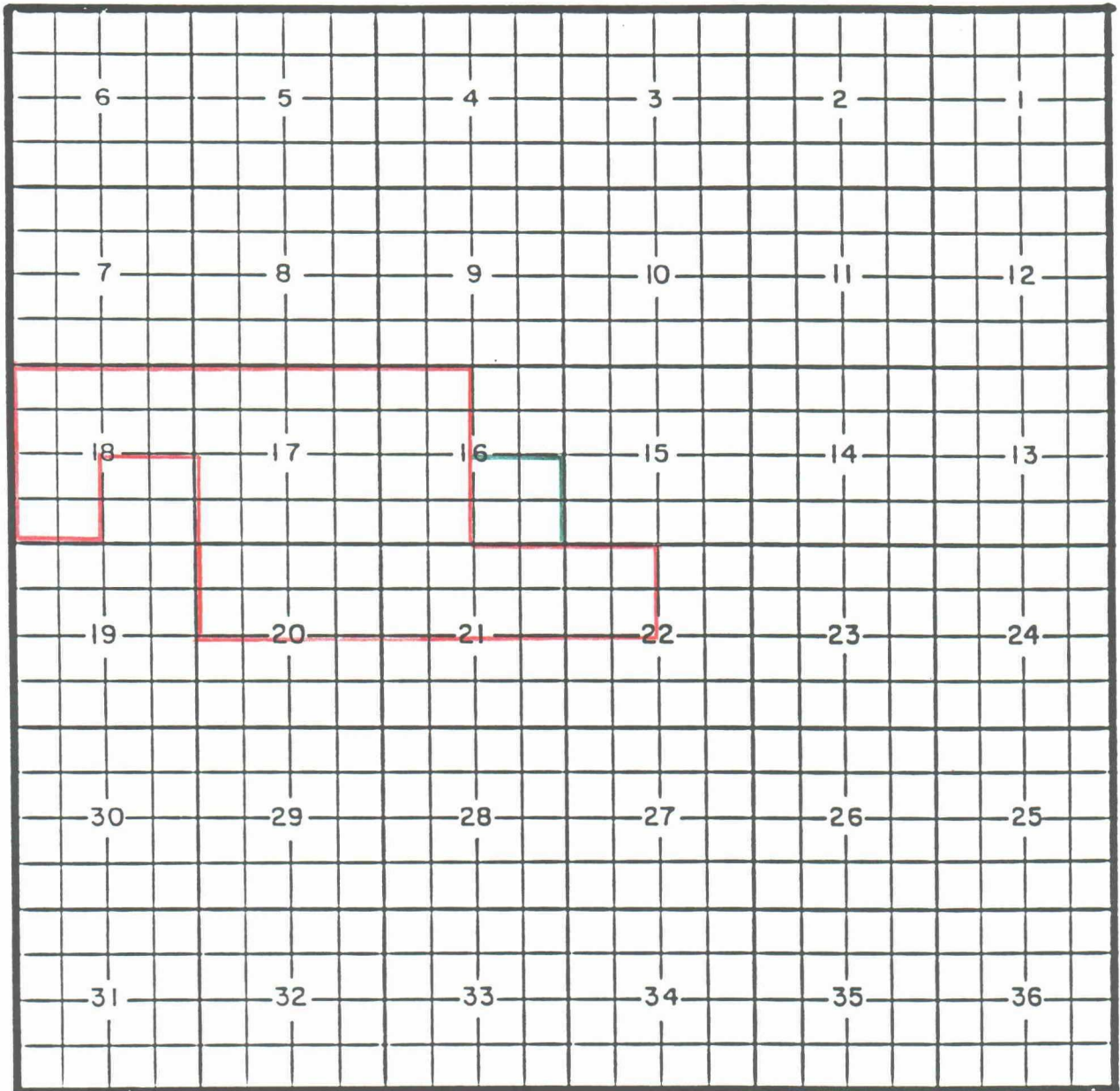
Texaco Producing Inc. Bilbrey 32 State Com Well No. 1 located in Unit F
of Section 32, Township 21 South, Range 32 East, NMPM. It was completed
September 19, 1990, in the Morrow formation. The top of the perforations
is at 14,394 feet.

Pool boundary outlined in red.

Proposed pool extension outlined in green. Section 32: SW/4

COUNTY LEA POOL WEST CORBIN-DELAWARE

TOWNSHIP 18 South RANGE 33 East NMPM



PURPOSE: One completed oil well capable of producing.

Meridian Oil Inc. State 16 Well No. 6 located in Unit 0 of Section 16, Township 18 South, Range 33 East, NMPM. It was completed September 6, 1990, in the Delaware formation. The top of the perforations is at 5,097 feet.

Pool boundary outlined in red.

Proposed pool extension outlined in green. Section 16: SE/4

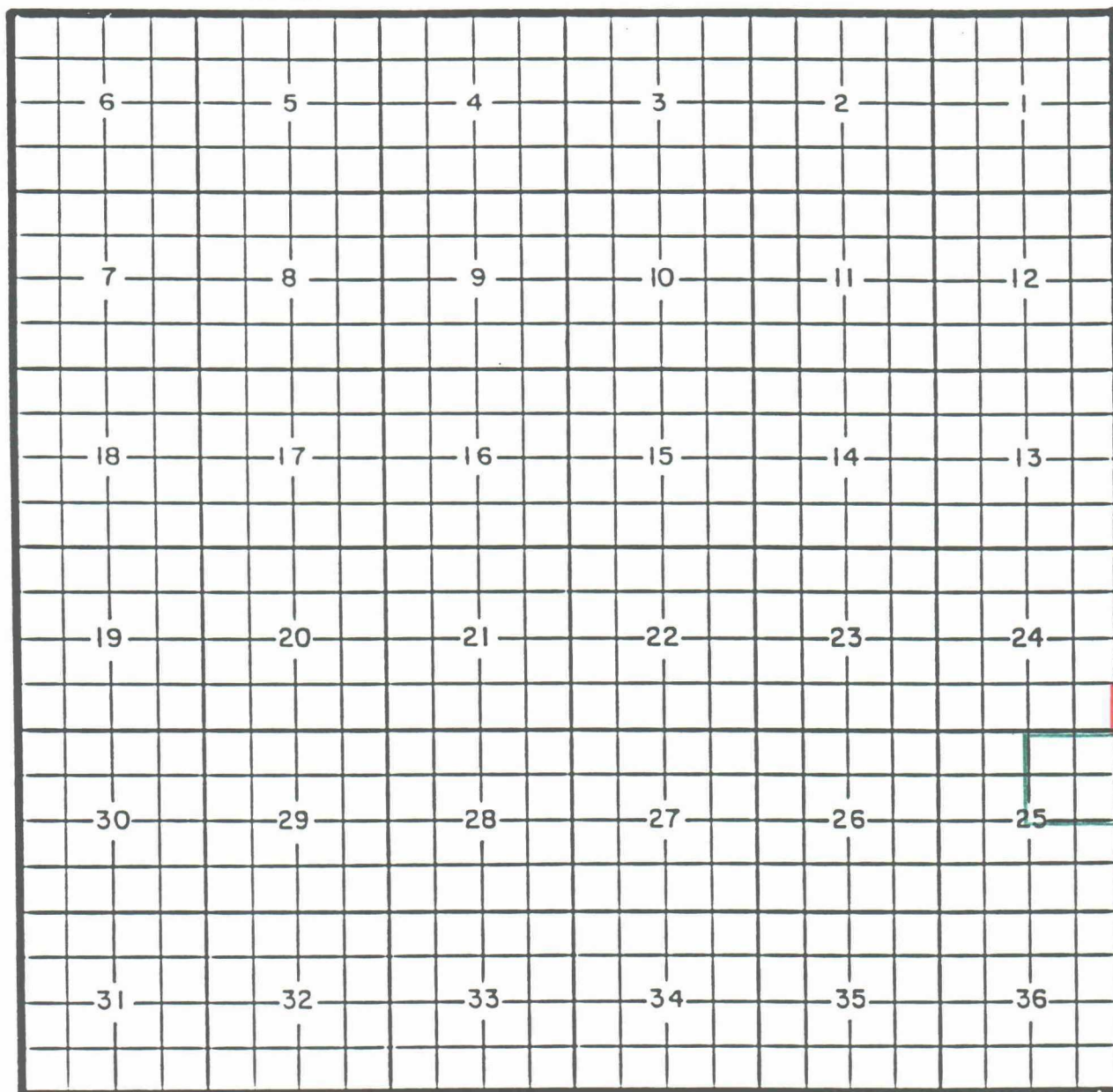
COUNTY LEA

POOL EAST CROSSROADS-DEVONIAN

TOWNSHIP 9 South

RANGE 36 East

NMPM



PURPOSE: One completed oil well capable of producing.

Grover-McKinney Oil Company Wild Turkey Well No. 1 located in Unit A of
Section 25, Township 9 South, Range 36 East, NMPM. It was completed October 5,
1990, in the Devonian formation. The top of the perforations is at 12,172 feet.

Pool boundary outlined in red.

Proposed pool extension outlined in green. Section 25: NE/4

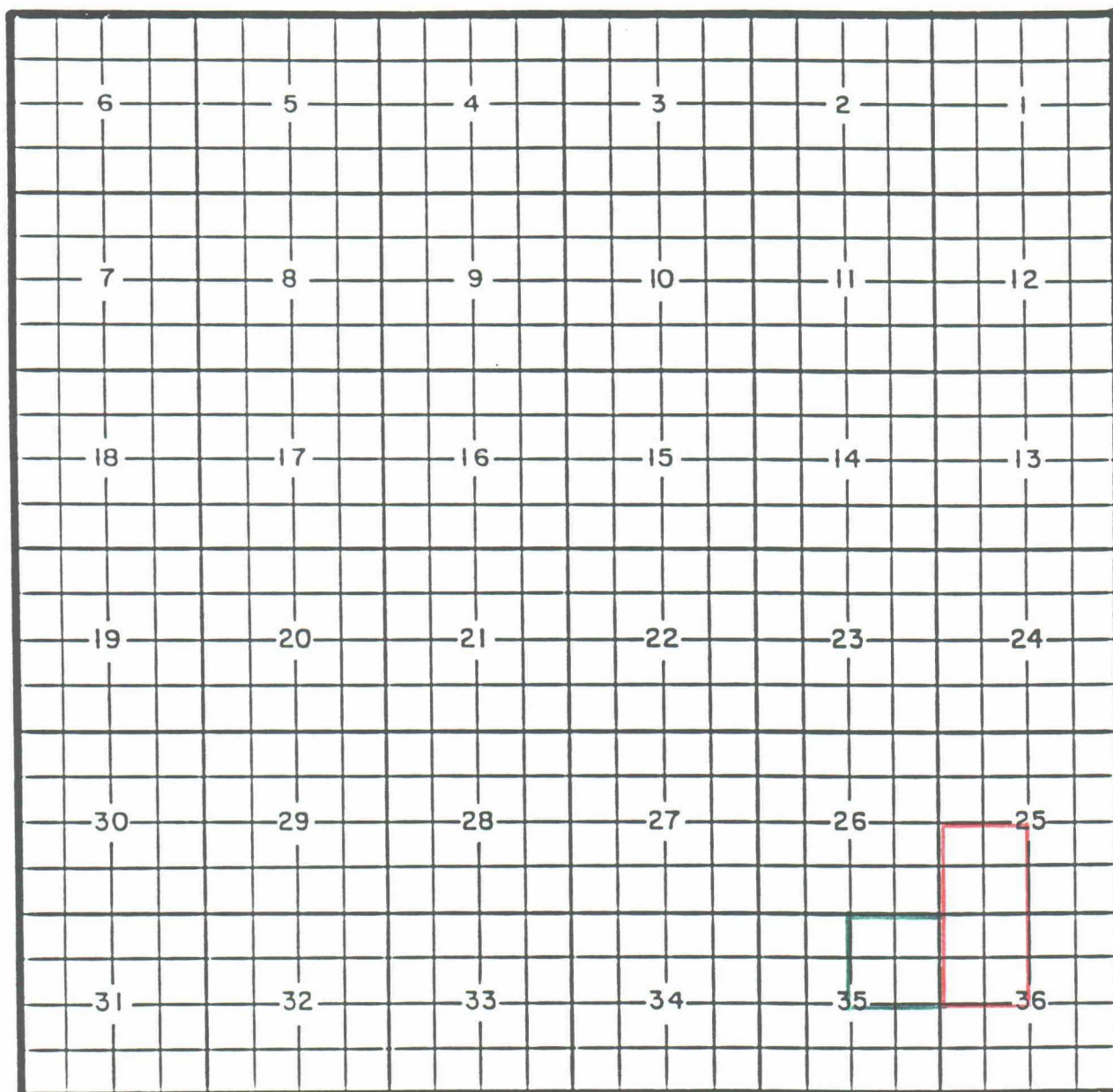
COUNTY LEA

POOL CUERNO LARGO-PENNSYLVANIAN

TOWNSHIP 10 South

RANGE 32 East

NMPM



PURPOSE: One completed oil well capable of producing.

Manzano Oil Corporation Yates State Well No. 1 located in Unit H of Section 35, Township 10 South, Range 32 East, NMPM. It was completed November 15, 1990, in the Pennsylvanian formation. The top of the perforations is at 9,190 feet.

Pool boundary outlined in red.

Proposed pool extension outlined in green. Section 35: NE/4

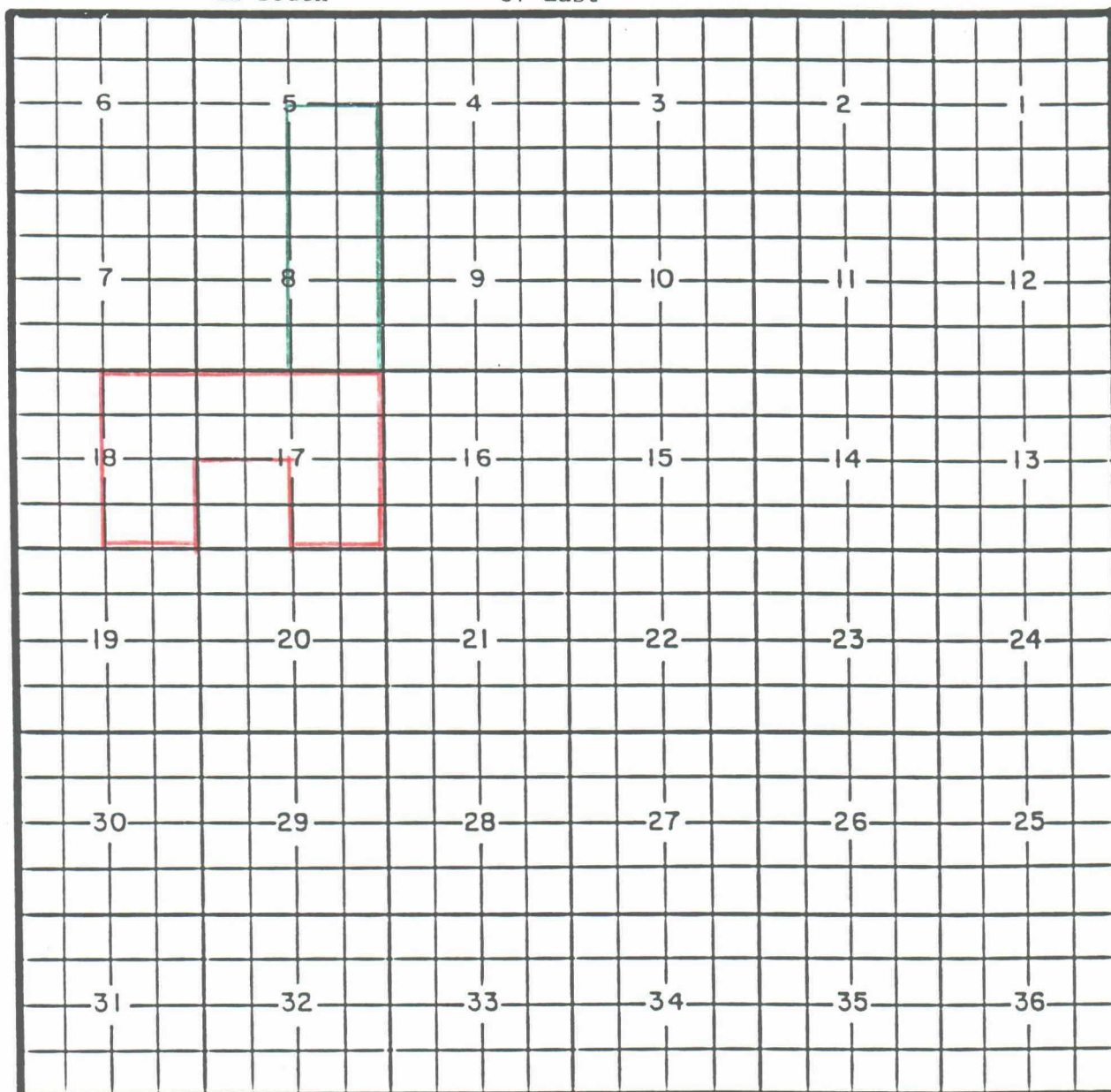
COUNTY LEA

POOL SOUTHWEST EUNICE-SAN ANDRES

TOWNSHIP 22 South

RANGE 37 East

NMPM



PURPOSE: One completed gas well capable of producing.

Zia Energy Inc. Grizzell Well No. 3 located in Unit O of Section 5, Township 22 South, Range 37 East, NMPM. It was completed October 5, 1990, in the San Andres formation. The top of the perforations is at 3,950 feet.

Pool boundary outlined in red.

Proposed pool extension outlined in green. Section 5: SE/4

Section 8: E/2

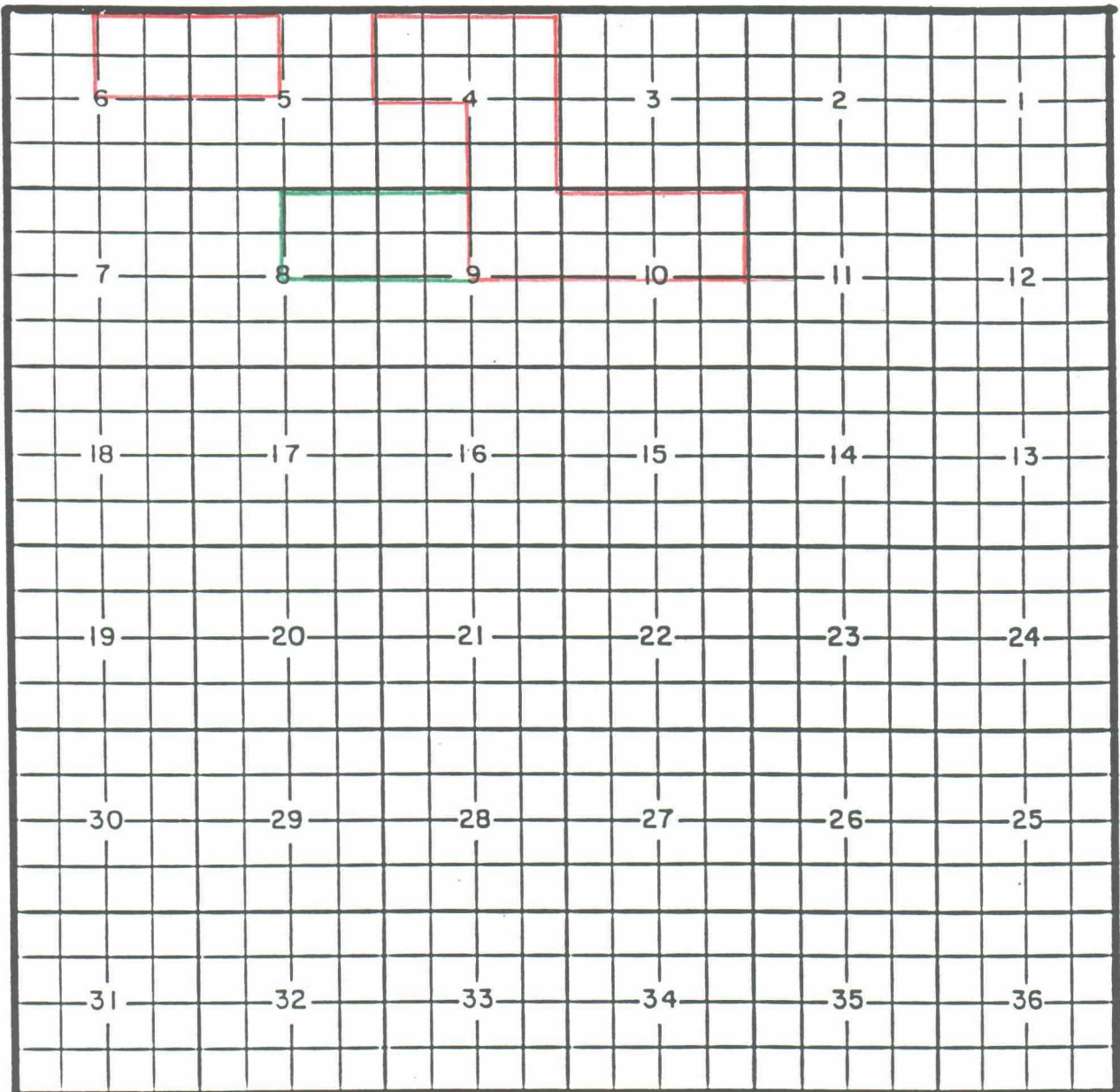
COUNTY LEA

POOL FLYING M-SAN ANDRES

TOWNSHIP 10 South

RANGE 33 East

NMPM



PURPOSE: One completed oil well capable of producing.

Yates Petroleum Corporation Remuda State Unit Well No. 2 located in Unit B of Section 8, Township 10 South, Range 33 East, NMPM. It was completed November 10, 1990, in the San Andres formation. The top of the perforations is at 4,390 ft.

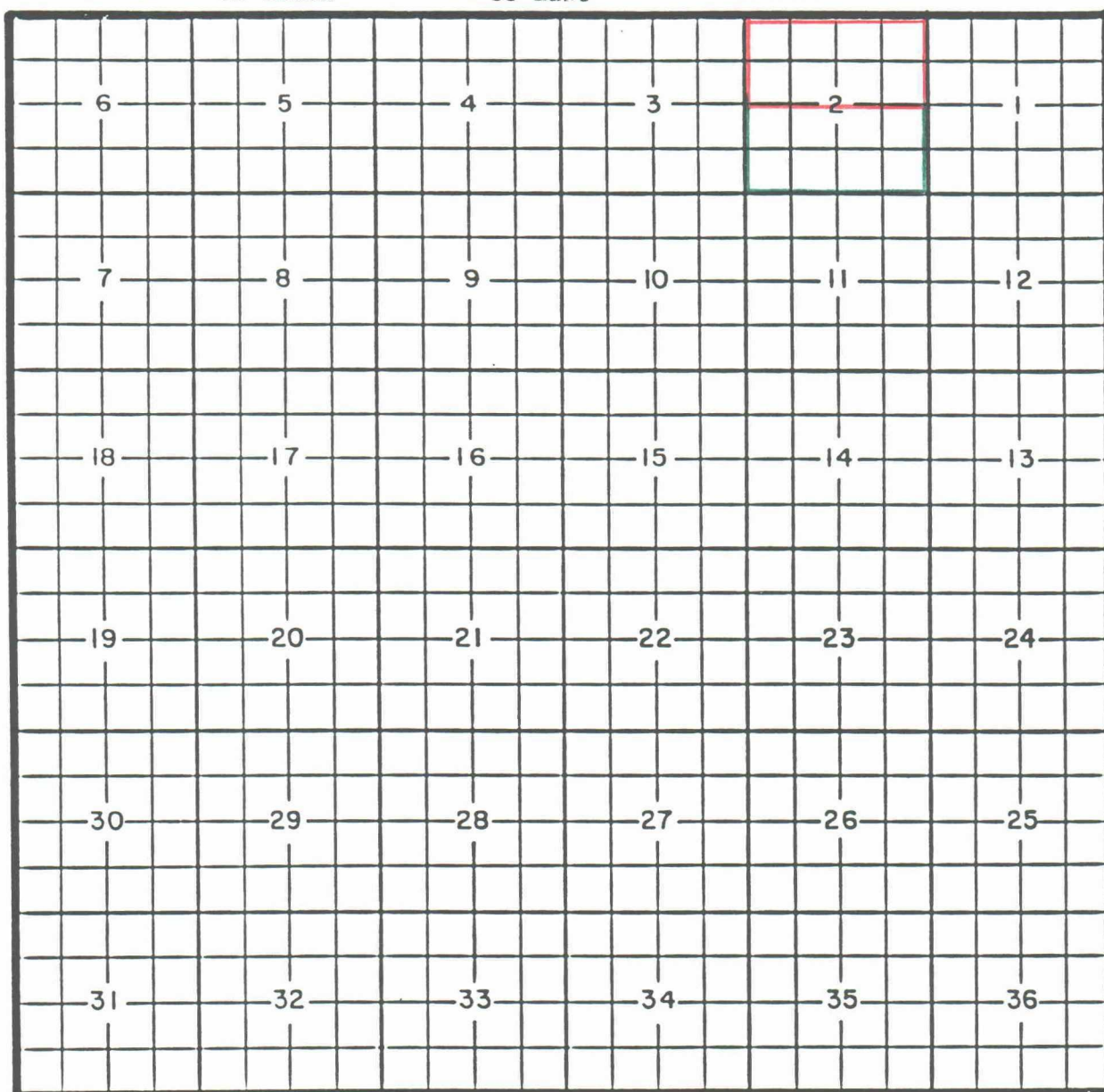
Pool boundary outlined in red.

Proposed pool extension outlined in green. Section 8: NE/4

Section 9: NW/4

COUNTY LEA POOL EAST GEM-MORROW GAS

TOWNSHIP 20 South RANGE 33 East NMPM



PURPOSE: One completed gas well capable of producing.

BTA Oil PProducers Gem 8705 JV-P Well No. 3 located in Unit 0 of Section 2, Township 20 South, Range 33 East, NMPM. It was completed December 2, 1990, in the Morrow formation. The top of the perforations is at 13,534 feet.

Pool boundary outlined in red.

Proposed pool extension outlined in green. Section 2: S/2

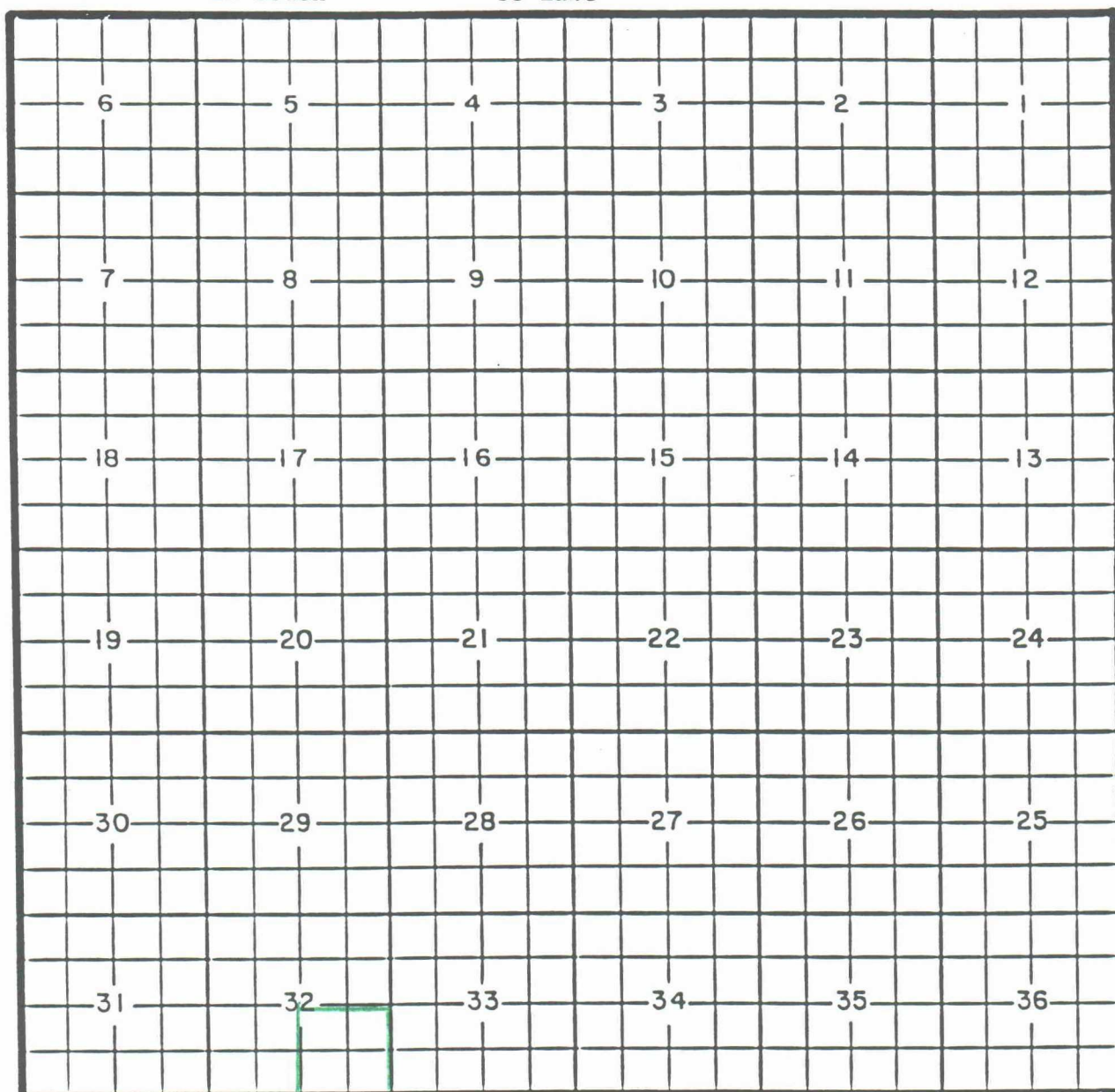
COUNTY LEA

POOL HAT MESA-DELAWARE

TOWNSHIP 20 South

RANGE 33 East

NMPM



PURPOSE: One completed oil well capable of producing.

Strata Production Company Ganso State Well No. 1 located in Unit O of Section 32, Township 20 South, Range 33 East, NMPM. It was completed November 4, 1990, in the Delaware formation. The top of the perforations is at 7,148 feet.

Pool boundary outlined in red.

Proposed pool extension outlined in green. Section 32: SE/4

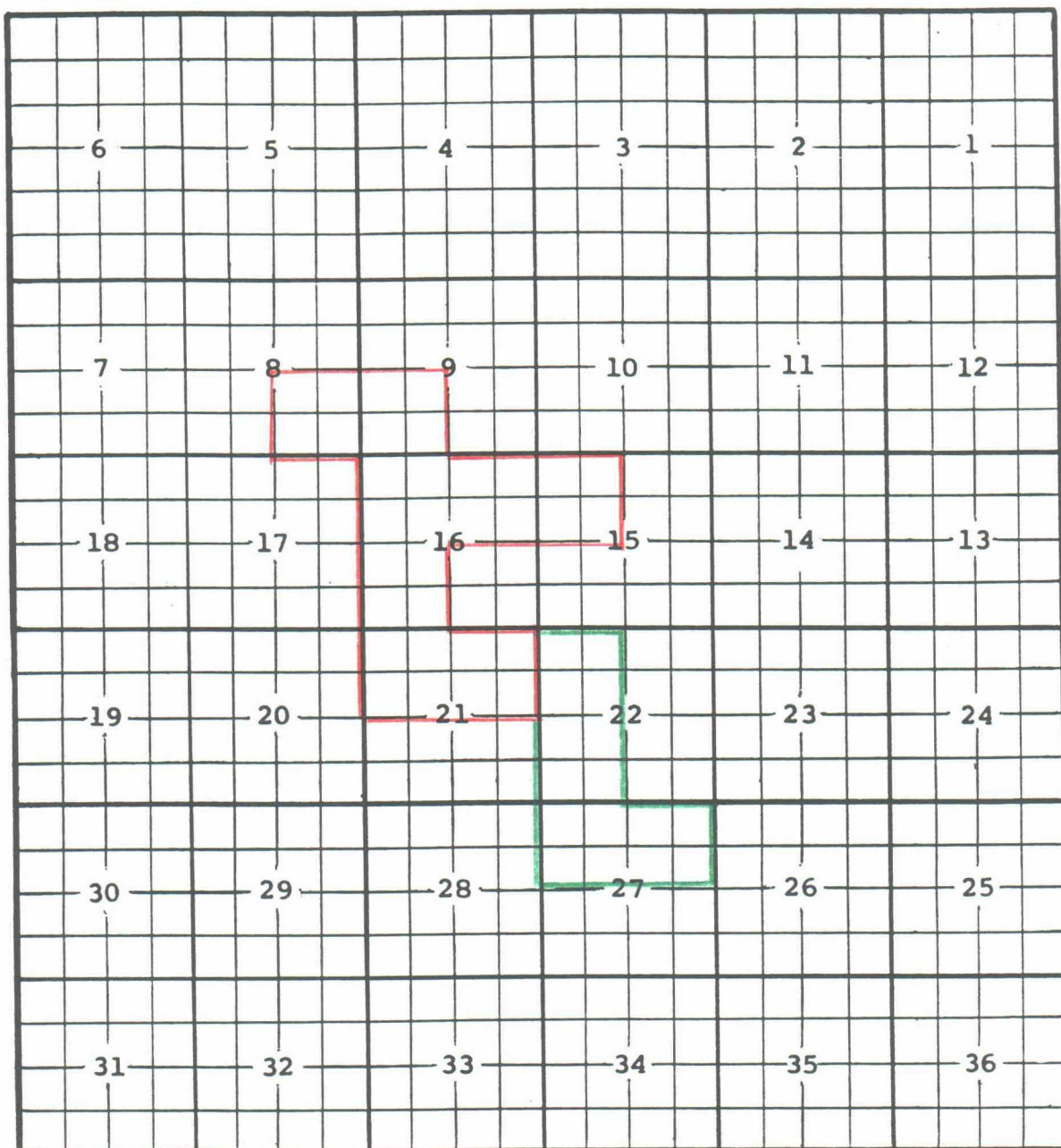
COUNTY LEA

POOL KEMNITZ-CISCO

TOWNSHIP 16 South

RANGE 34 East

NMPM



PURPOSE: One completed oil well capable of producing.

Elk Oil Company East Kemnitz Well No. 2 located in Unit G of Section 27, Township 16 South, Range 34 East, NMPM. It was completed October 14, 1990, in the Cisco formation. The top of the perforations is at 11,167 feet.

Pool boundary outlined in red.

Proposed pool extension outlined in green. Section 22: W/2

Section 27: N/2

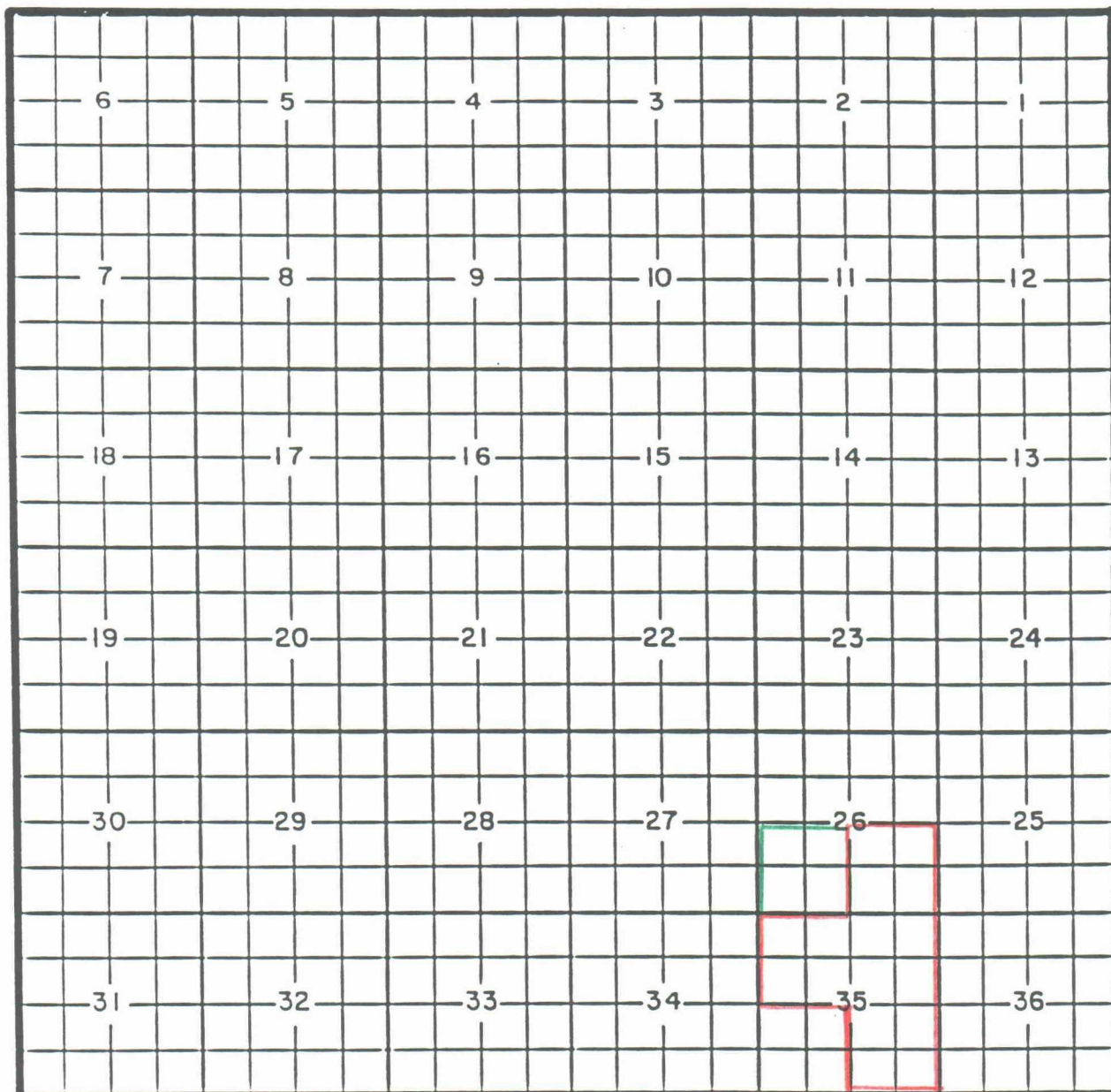
COUNTY LEA

POOL LANE-ABO

TOWNSHIP 9 South

RANGE 33 East

NMPM



PURPOSE: One completed oil well capable of producing.

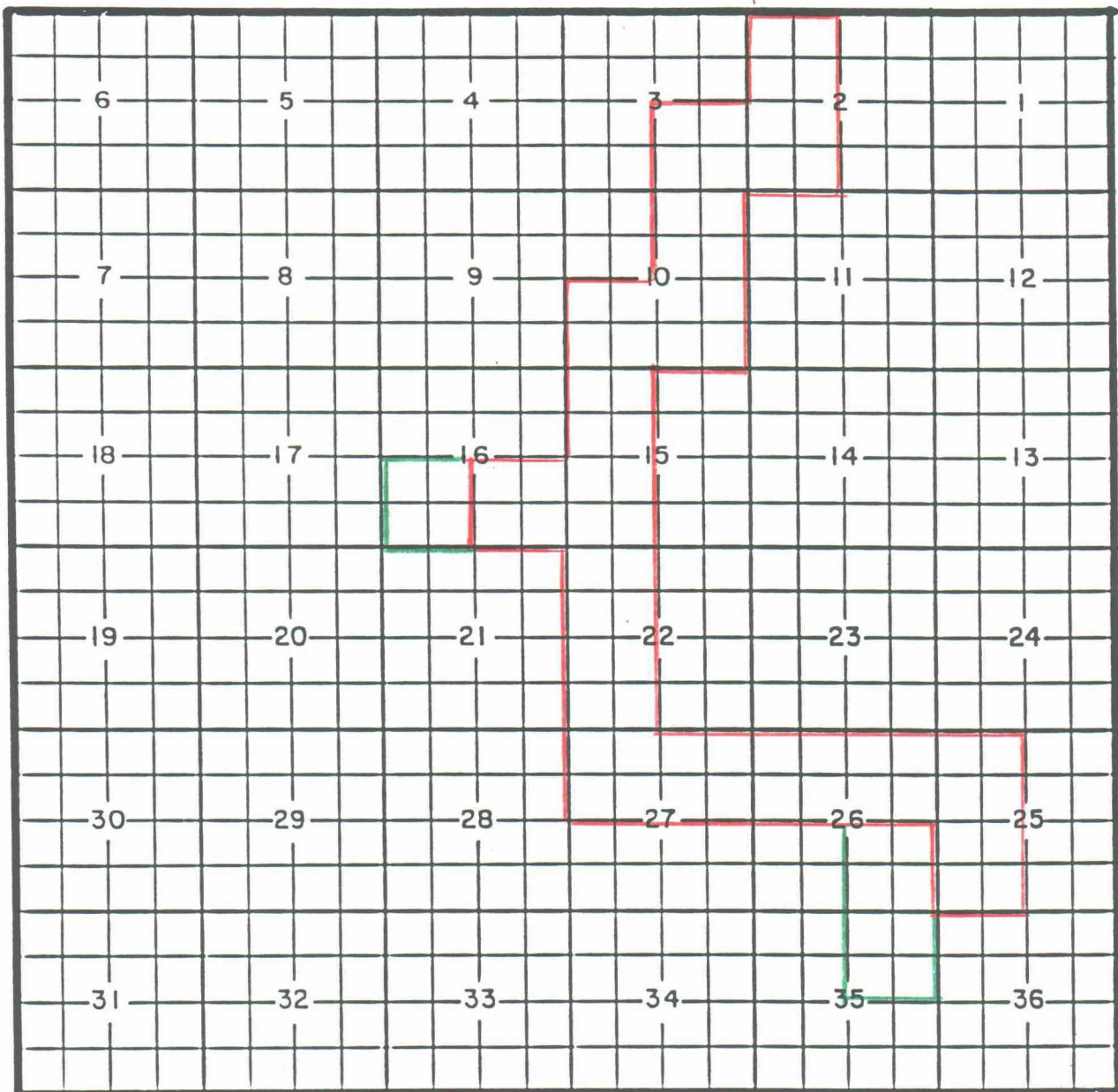
Yates Petroleum Corporation Sooner AHP Federal Well No. 1 located in Unit N of Section 26, Township 9 South, Range 33 East, NMPM. It was completed December 13, 1990, in the Abo formation. The top of the perforations is at 8,785 feet.

Pool boundary outlined in red.

Proposed pool extension outlined in green. Section 26: SW/4

COUNTY LEA POOL EAST LUSK-BONE SPRING

TOWNSHIP 19 South RANGE 32 East NMPM



PURPOSE: Two completed oil wells capable of producing.

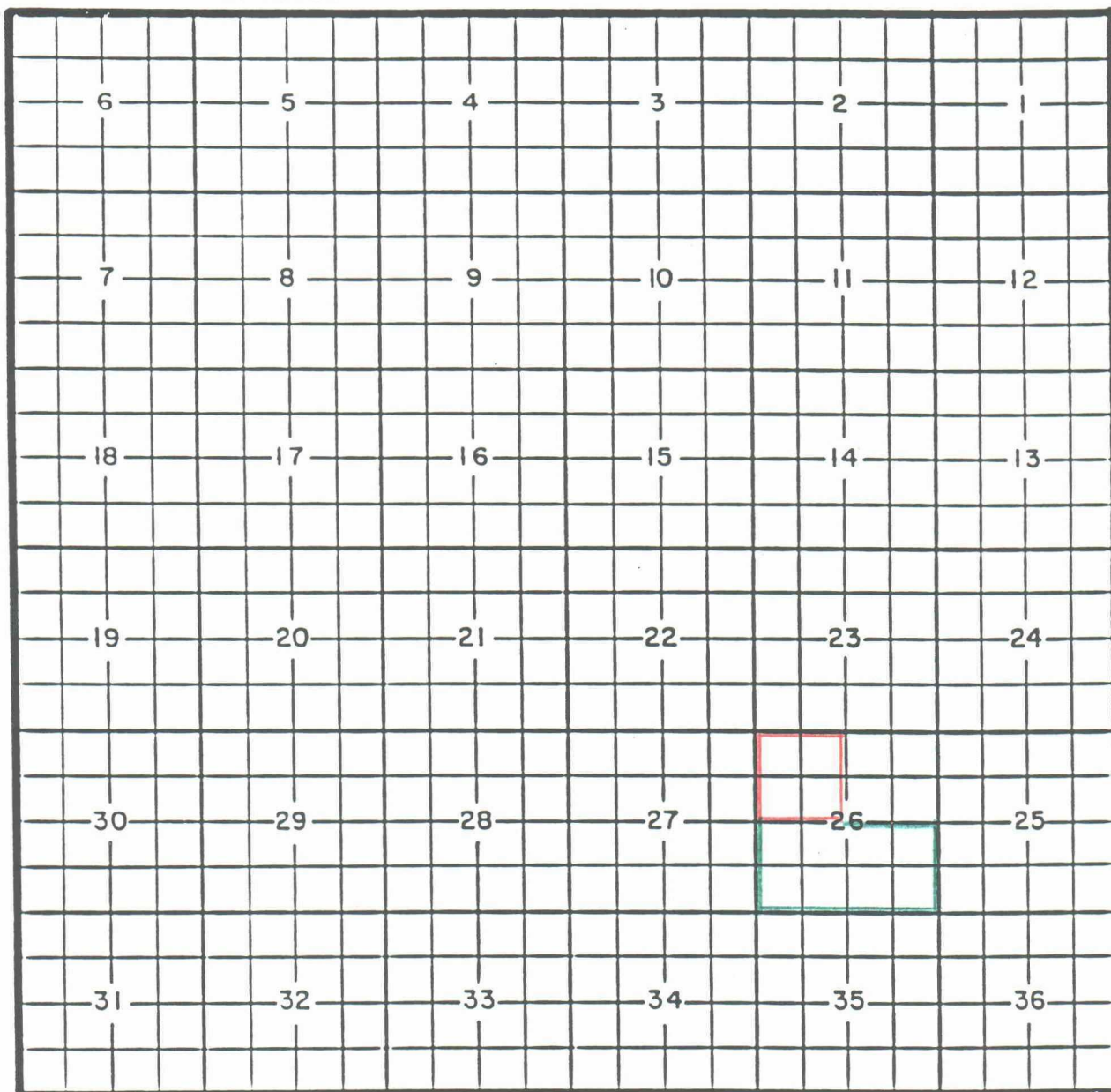
Harvey E. Yates Co. Superior C State Well No. 1 located in Unit K of Section 16, Township 19 South, Range 32 East, NMPM. It was completed January 16, 1990, in the Bone Spring formation. The top of the perforations is at 9,316 feet. Yates Petroleum Corporation Lusk AHB Federal Well No. 2 located in Unit G of Section 35, Township 19 South, Range 32 East, NMPM. It was completed December 20, 1990, in the Bone Spring formation. The top of the perforations is at 10,227 feet.

Pool boundary outlined in red.

Proposed Pool extension outlined in green. Sec. 16: SW/4; Sec 26: SE/4; Sec 35: NE/4

COUNTY LEA POOL EAST LUSK-DELAWARE

TOWNSHIP 19 South RANGE 32 East NMPM



PURPOSE: One completed oil well capable of producing.

Meridian Oil Inc. Federal AW Well No. 2 located in Unit 0 of Section 26, Township 19 South, Range 32 East, NMPM. It was completed November 27, 1990, in the Delaware formation. The top of the perforations is at 4,870 feet.

Pool boundary outlined in red.

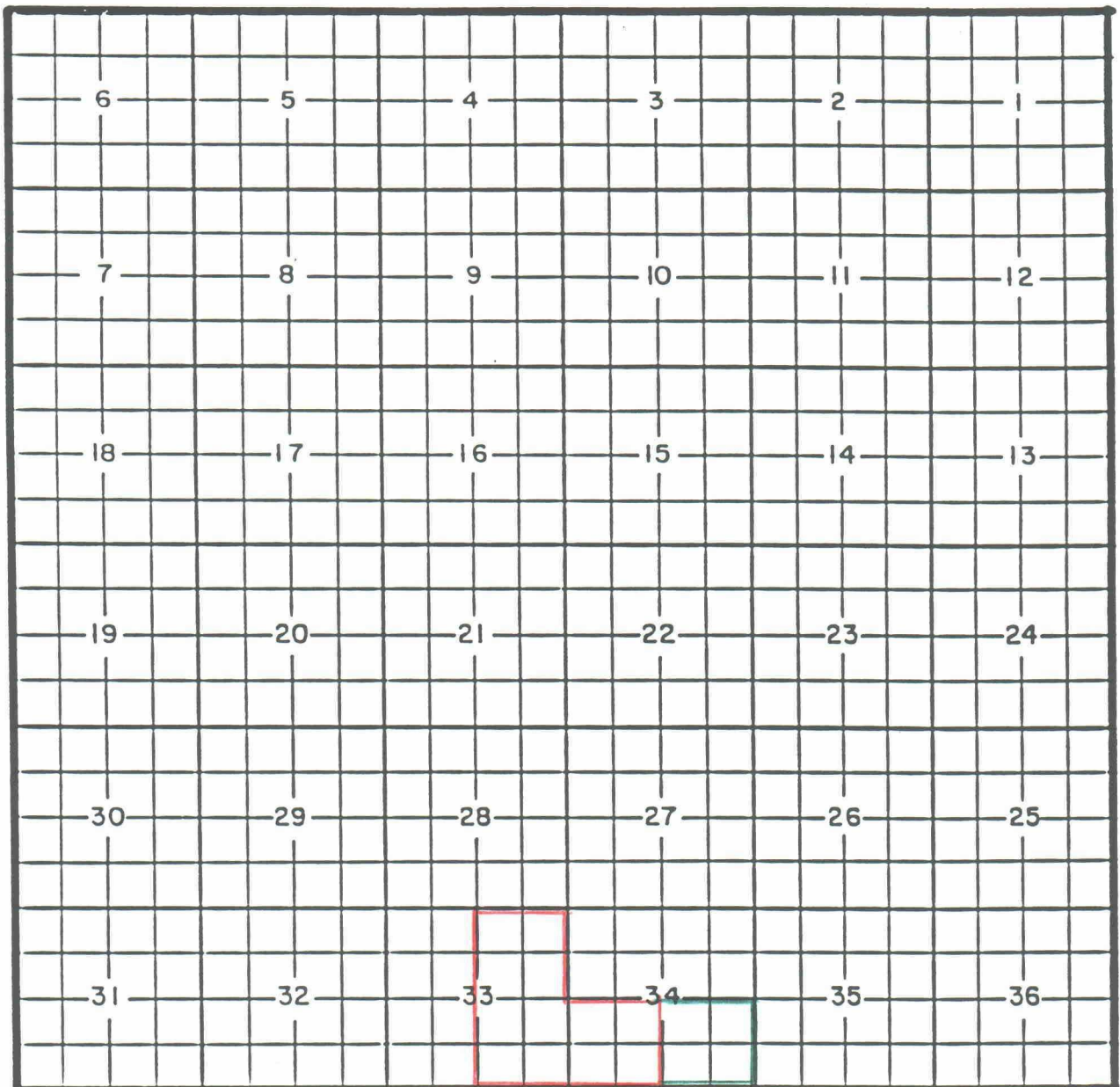
Proposed pool extension outlined in green. Section 26: S/2

COUNTY ROOSEVELT POOL MILNESAND-ABO

TOWNSHIP 8 South

RANGE 35 East

NMPM



PURPOSE: One completed oil well capable of producing.

Petroleum Production Management Inc. Will 693 Ltd. Well No. 4 located in Unit J of Section 34, Township 8 South, Range 35 East, NMPM. It was completed October 28, 1990, in the Abo formation. The top of the perforations is at 8,919 feet.

Pool boundary outlined in red.

Proposed pool extension outlined in green. Section 34: SE/4

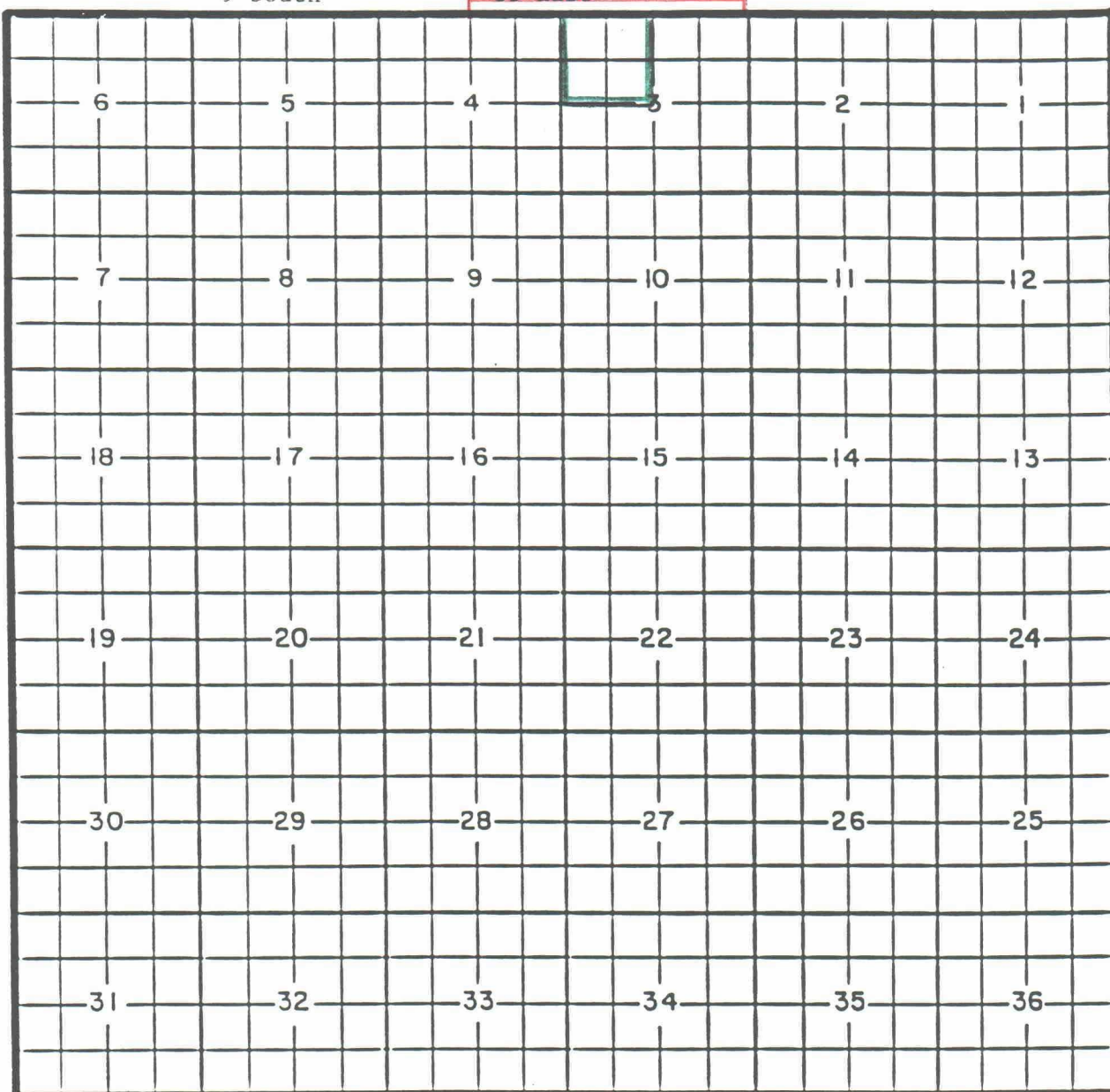
COUNTY LEA

POOL MILNESAND-ABO

TOWNSHIP 9 South

RANGE 35 East

NMPM



PURPOSE: One completed oil well capable of producing.

Purvis Oil Corporation Federal 3C Well No. 2 located in Unit C of Section 3, Township 9 South, Range 35 East, NMPM. It was completed October 8, 1990, in the Abo formation. The top of the perforations is at 8,920 feet.

Pool boundary outlined in red.

Proposed pool extension outlined in green. Section 3: NW/4

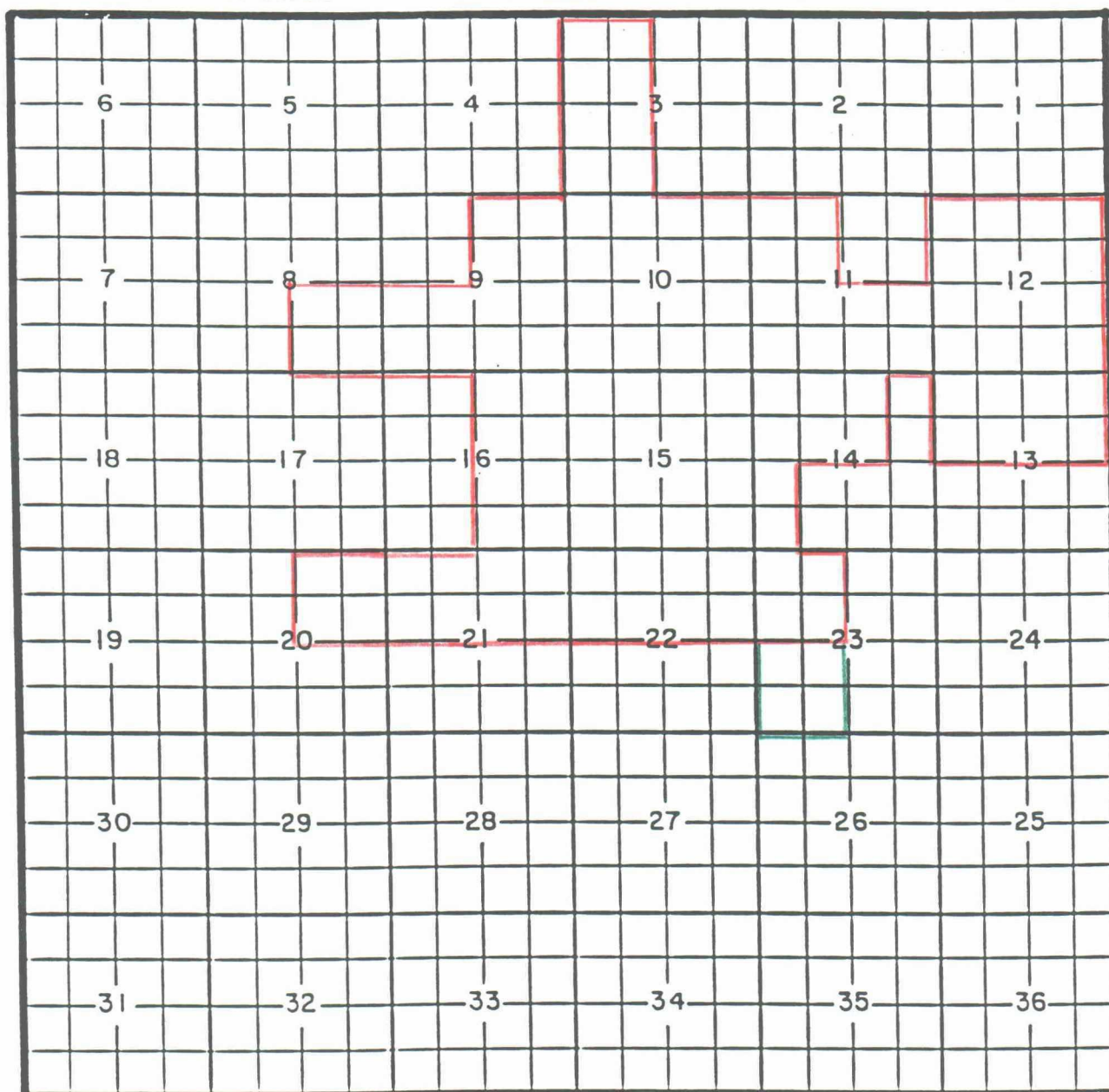
COUNTY LEA

POOL MONUMENT-TUBB

TOWNSHIP 20 South

RANGE 37 East

NMPM



PURPOSE: Two completed oil wells capable of producing.

Conoco Inc. SEMU Tubb Well No. 97 located in Unit K of Section 23, Township 20 South, Range 37 East, NMPM. It was completed October 1, 1990, in the Tubb formation. The top of the perforations is at 6,304 feet. Conoco Inc. SEMU Tubb Well No. 115 located in Unit L of Section 23, Township 20 South, Range 37 East, NMPM. It was completed September 10, 1990, in the Tubb formation. The top of the perforations is at 6,370 feet.

Pool boundary outlined in red.

Proposed pool extension outlined in green. Section 23: SW/4

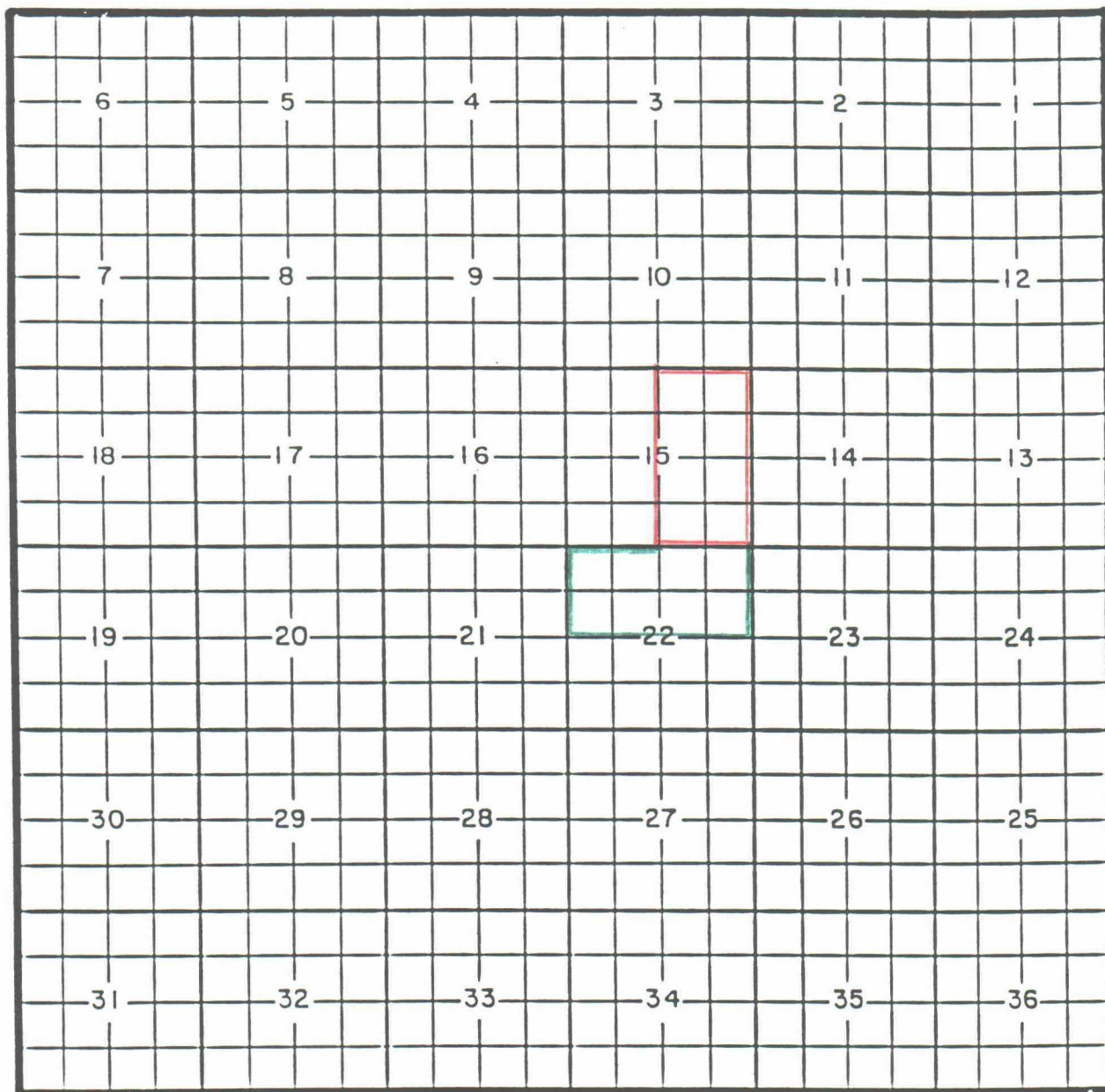
COUNTY LEA

POOL TONTO-ATOKA GAS

TOWNSHIP 19 South

RANGE 33 East

NMPM



PURPOSE: One completed gas well capable of producing.

Santa Fe Energy Operating Partners L.P. Amethyst 22 Federal Well No. 1 located in Unit C of Section 22, Township 19 South, Range 33 East, NMPM. It was completed October 5, 1990, in the Atoka formation. The top of the perforations is at 12,635 feet.

Pool boundary outlined in red.

Proposed pool extension outlined in green. Section 22: N/2

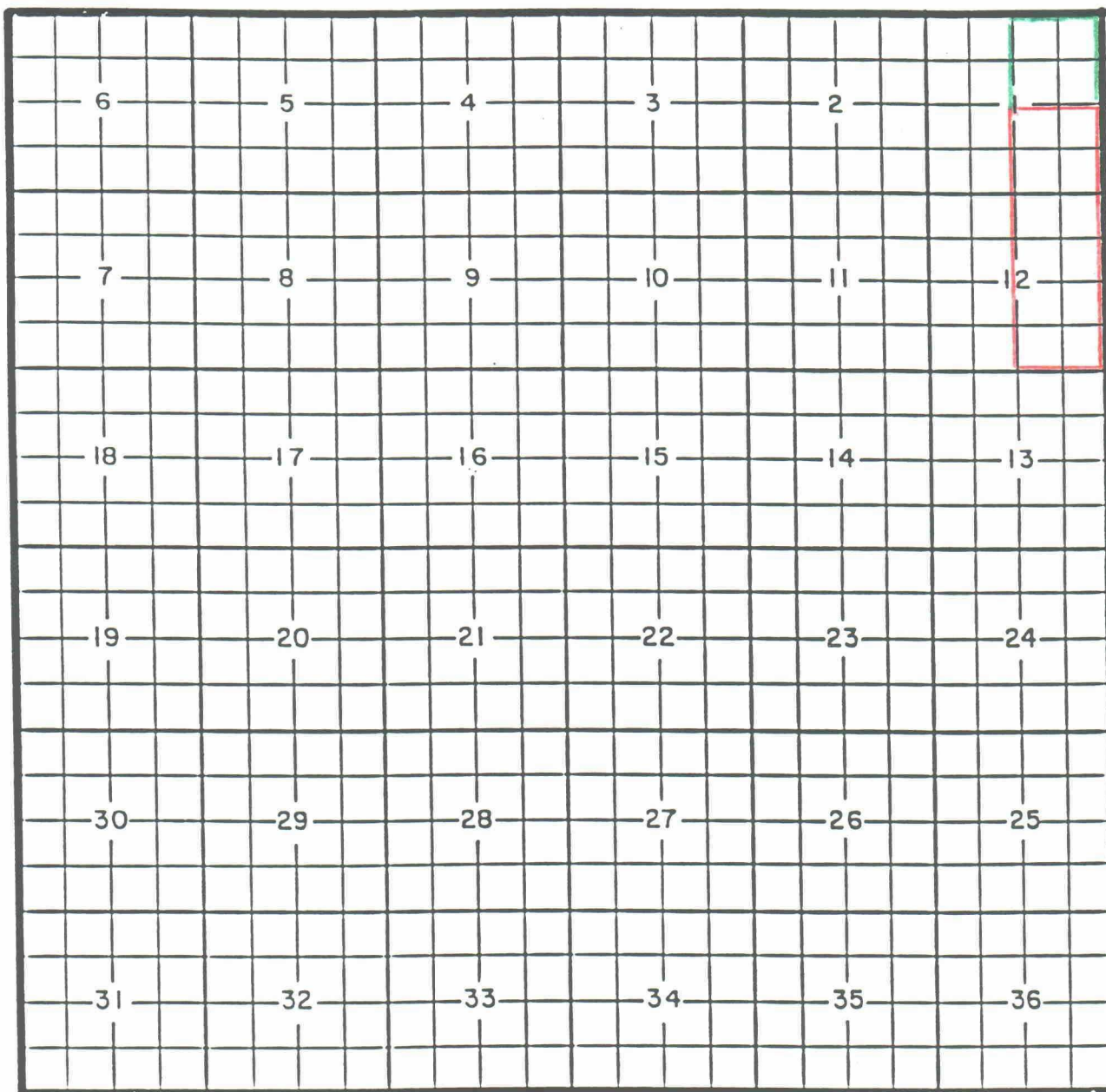
COUNTY LEA

POOL WEST TONTO-BONE SPRING

TOWNSHIP 19 South

RANGE 32 East

NMPM



PURPOSE: One completed oil well capable of producing.

Meridian Oil Inc. Bondurant Federal Com Well No. 2 located in Unit H of Section 1, Township 19 South, Range 32 East, NMPM. It was completed October 18, 1990, in the Bone Spring formation. The top of the perforations is at 8,750 feet.

Pool boundary outlined in red.

Proposed pool extension outlined in green. Section 1: NE/4

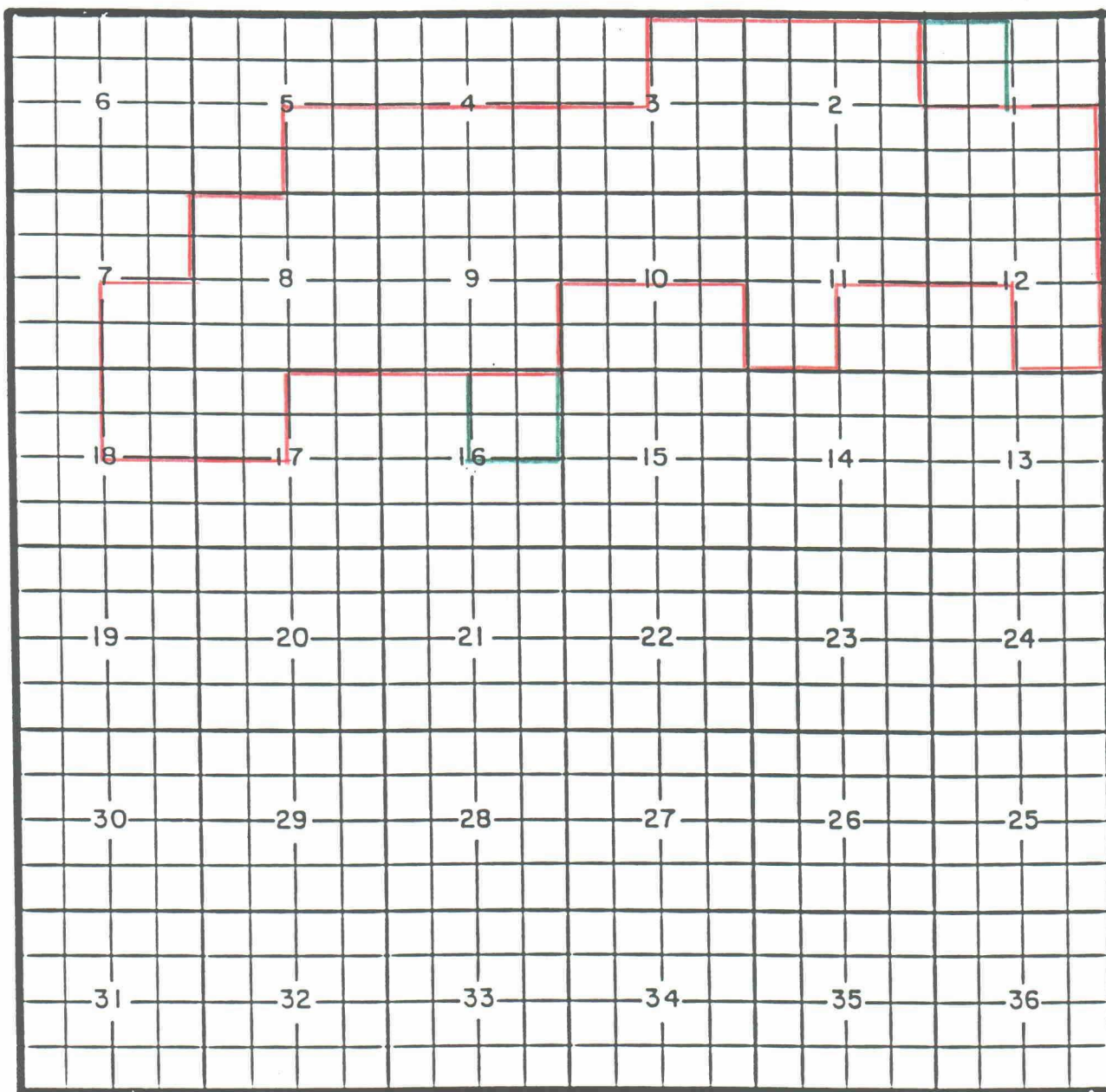
COUNTY LEA

POOL NORTH YOUNG-BONE SPRING

TOWNSHIP 18 South

RANGE 32 East

NMPM



PURPOSE: Two completed oil wells capable of producing.

Chevron USA Inc. Sprinkle B Federal Well No. 2 located in Unit E of Section 1, Township 18 South, Range 32 East, NMPM. It was completed November 11, 1990, in the Bone Spring formation. The top of the perforations is at 8,226 feet.

Meridian Oil Inc. Mitchell 16 St Well No. 3 located in Unit G of Section 16, Township 18 South, Range 32 East, NMPM. It was completed October 25, 1990, in the Bone Spring formation. The top of the perforations is at 8,478 feet.

Pool boundary outlined in red.

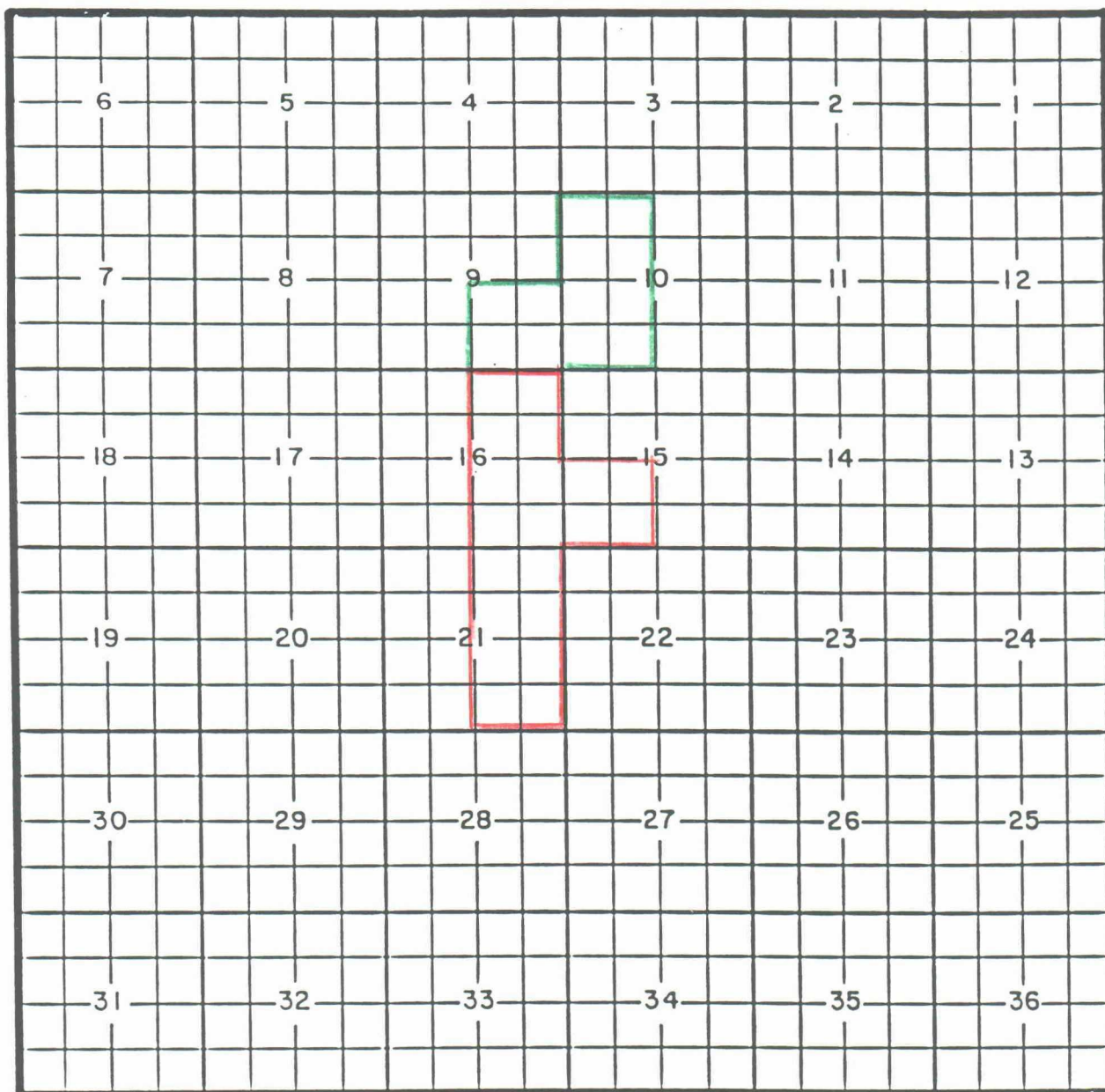
Proposed pool extension outlined in green. Section 1: NW/4; Section 16: NE/4

COUNTY LEA

POOL YOUNG-WOLFCAMP

TOWNSHIP 18 South RANGE 32 East

NMPM



PURPOSE: One completed oil well capable of producing.

Harvey E. Yates Company Young Deep Unit Well No. 1 located in Unit D of Section 10, Township 18 South, Range 32 East, NMPM. It was completed October 31, 1990, in the Wolfcamp formation. The top of the perforations is at 10,406 feet.

Pool boundary outlined in red.

Proposed pool extension outlined in green. Section 9: SE/4

Section 10: W/2